

## FISCAL YEAR 2012 EQIP GUIDANCE DOCUMENT

### **General**

1. FY2012 EQIP program policy will be implemented according to 440-Conservation Program Manual, Part 515-Environmental Quality Incentives Program and 440-Conservation Program Manual, Part 512, Conservation Program Contracting.
2. Producers can use NRCS or an NRCS certified Technical Service Provider for technical assistance. To receive financial assistance through EQIP all practices must be implemented according to NRCS conservation practice standards. NRCS or an NRCS certified TSP will certify that the practice was installed according to NRCS technical standards.
3. All EQIP payments will be accomplished through Electronic Funds Transfer (EFT)
4. No partial payments will be made in EQIP unless a waiver has been granted by the State Conservationist.
5. All prior year contracts are valid contracts under rules that were in place at the time of contract approval.
6. Only the FY2012 EQIP State Conservationist approved payment schedule can be used to develop financial assistance tools for FY2012 EQIP contracts.
7. Land Management practices may receive payments for up to 3 consecutive years. Practices eligible for payments in consecutive years are marked 'Payment for 3 years' on the payment schedule.
8. FY2012 EQIP will have one cost type. Payment rate (PR) is the amount per unit the participant will receive for implementation of structural and land management practices. Payment rate is based on up to 75% of the eligible costs for a typical scenario. Historically Underserved payment rates are based upon up to 90% of the eligible costs for a typical scenario. The cost basis of payment development is calculated using an estimation of a typical job scenario to establish payment rates per unit. Component cost data used in the scenario estimation process come from regionally approved data sets or from the state level data sets.
9. A self certification process will be followed for Historically Underserved. This group includes limited resource, beginning farmers and the socially disadvantaged. Information on self-certification for limited resource farmers can be accessed at,  
<http://www.lrftool.sc.egov.usda.gov/DeterminationTool.aspx?fyYear=2012>
10. Producers must have an up-to-date conservation plan of operations that describes the conservation practices to be implemented, the timing of the implementation, the practice location, and the conservation benefit to be achieved. The conservation plan will be the basis for the EQIP contract.
11. Toolkit will be the planning tool to support EQIP. The conservation plan will be supported by plan maps developed using ArcGIS for Toolkit.
12. ProTracts will be the contracting tool to support EQIP.
13. FY2012 EQIP applications will be ranked using the FY2012 Application Evaluation and Ranking Tools (AERT) with the exception of CAP applications.
14. All FY2012 applications will be processed based on the priority determined by the FY2012 EQIP Pre-Ranking Screening Tool. High priority applications will be ranked and have a complete application package developed for the first selection. As time allows medium priority applications will also be completed and may be considered during the second selection if funds remain after selecting all high priority applications
15. FY2011 deferred applications will be processed according to the guidance and timelines provided in Michigan Bulletin No. MI-300-12-2 and MI-300-12-5.

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16. Complete applications must be based on comprehensive inventory and evaluations that are sufficient to provide technically sound alternative solutions for the participant to make treatment decisions. In some cases when a soil disturbing I & E is required to determine if a practice is feasible for a site, a cultural resources review must be completed by law prior to completing the soil disturbance. If a cultural resource review is not required for the I & E, but a planned practice is considered an undertaking, the cultural resources review must be submitted (but not returned) before the application is complete. If approved for funding, the undertaking can not begin until the cultural resources review has been completed.
17. Like applications will be ranked against each other to the extent practicable. There will be separate fund codes and ranking tools for: National Organic Initiative, National Seasonal High Tunnel for Crops Initiative, National Energy Initiative, Animal Waste Storage & Treatment, CNMPs, Tribal, Beginning Farmer, and Socially Disadvantaged. Local fund codes and ranking tools include: **(Applications will be placed in the appropriate 'land use' related fund code based upon the majority of land in the application)** Cropland Frigid Soils-North, Cropland Frigid Soils-South, Cropland Mesic Soils-West, Cropland Mesic Soils-East, Pastureland Frigid Soils-North, Pastureland Frigid Soils-South, Pastureland Mesic Soils-West, Pastureland Mesic Soils-East, Forestland Frigid Soils-North, Forestland Frigid Soils-South, Forestland Mesic Soils-West, Forestland Mesic Soils-East.  
CCPI fund codes will include: CCPI-Huron Conservation District, CCPI-TNC, CCPI-CRA.  
Further guidance on processing CCPI applications will be provided in the future.
18. FY2012 EQIP applications will be processed according to the guidance and timelines provided in Michigan Bulletin No. MI-300-12-5. However, information related to processing applications for the CCPI will be provided separately.
19. An EQIP contract is valid when the signature page of the NRCS-CPA-1202 is signed by the participant and the NRCS contracting officer. (Area Conservationist for contracts less than \$150,000, the Regional Assistant Chief for contracts greater than \$150,000)
20. The participant can not sign and date the signature page of the NRCS-CPA-1202 until after the application has been approved by NRCS. Unless the signature date is entered into Protracts the contract can not be obligated.
21. The participant will be provided a copy of the NRCS-CPA-1200, NRCS-CPA-1202 and the NRCS-CPA-1202 Appendix AFTER the Area Conservationist has obligated the funding.
22. Quality assurance and status reviews will be handled according to the state quality assurance plan.
23. Ineligible conservation practices are those:
  - (i) Where the sole purpose is to enhance production without an identifiable conservation benefit or natural resource concern.
  - (ii) That the producer has already installed to address an identified resource concern on a specific land unit. However, management practices that address a higher level quality concern may be implemented again on the same land unit. Producers may also apply for EQIP financial assistance to implement a management practice to address a resource concern on land within the operation which has not been previously implemented.

See the Ineligible Cost table included in the EQIP manual (440.515 Subpart J) for further information

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### Special Categories

#### **CAPS (CNMPs, FMPs, NMPs, IPMPs, IWMPs, DWMPs etc.)**

1. FY2012 Financial Assistance (FA) will be available (as listed in the payment schedule) for the development of Conservation Activity Plans (CAPS) for participants to hire a Certified TSP for the development of their plans. Applications for CAPs will be submitted as standalone applications or under the appropriate fund code with supporting practices as in the case of the SHT.
2. Only one CAP may be contracted on a parcel of land at a time.
3. More than one CAP may be contracted for the same Participant at the same time.
4. These applications WILL NOT be ranked.
5. All CAP contracts will be written with the CAP completed in the first year resulting in a two year contract. Modifications of CAP contracts are strongly discouraged.
6. Beginning in FY 2012 CNMP's contracted through EQIP must be written by a TSP who is listed in Tech Reg. as qualified under the CNMP CAP category. DC's must communicate this change to the contract participant as this is a significant change and not all those who have been preparing CNMP's up to this point will be able to qualify under this new category which will preclude NRCS from approving the CNMP for payment.

#### **Livestock Related Including Grazing**

1. Any application that includes animal waste storage or treatment shall compete in the Animal Waste Storage & Treatment Fund Code with the exception of HU applicants who will be using the BF or SD statewide fund codes. A CNMP must be developed and implemented for all EQIP contracts that receive financial assistance for an animal waste storage or treatment facility. The CNMP must be developed and approved by a certified provider prior to construction of the waste storage or treatment facility and be fully implemented prior to contract completion. A CNMP is strongly encouraged but not required prior to making an EQIP application. Thoughtful preparation of and producer commitment to a CNMP prior to making an animal waste storage and treatment application will result in more accurate and effective EQIP contracts for producers.
2. Livestock operations are eligible to receive cost share for waste storage facilities regardless of size of operation.
3. Financial assistance to livestock operations that are expanding is limited to 125% of current needs at the time of application. Current needs will be documented in their CNMP (by Animal Units) or the prescribed grazing plan for grazing operations not requiring a CNMP.
4. Financial assistance to grazing operations for the installation of facilitating practices such as fence will be limited to those acres which are presently part of the grazing operation. EQIP funds can not be used to begin or expand grazing operations.
5. Program Sheets provide additional guidance for Waste Recycling (633) Management of Anaerobic Digester-Controlled Temperature (MI-EQIP11-3) and Waste Transfer (634) Plate Cooler Water Reuse (MI-EQIP11-2). These guidance documents are available on the Michigan SharePoint site.

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6. Applications where the majority of the land is for grazing related practices shall compete in one of the 'pastureland' fund codes.
7. Some practices are listed in the payment schedule as 'eligible as part of a prescribed grazing plan.' If the participant is currently fully implementing prescribed grazing (528) including all recordkeeping requirements, it must be documented in the Toolkit plan as applied. If 528 is not being fully implemented (including recordkeeping) at the time of the application, it must be included as a contract item in the application.
8. Intensive rotational grazing is not required by the 528 standard. Please consult practice standard and/or the State Grazing Specialist for further clarification.

### Fence

1. Fence is eligible as described in the payment schedule. If associated with prescribed grazing, perimeter fencing must be an integral part of the grazing system that facilitates improved management of grazing land, or protects certain areas from livestock when it is necessary for proper use of the area. If the purpose of the fence is to separate ownership or exclude livestock from transportation networks, residential, commercial, or industrial areas, the fence is ineligible for payment through EQIP.

### Agrichemical Handling Facilities (309)

1. If a participant receives EQIP financial assistance for an Agrichemical Handling Facility (AHF) and they are currently fully implementing Pest Management (595) including all recordkeeping requirements and/or Nutrient Management (590) including all recordkeeping requirements, it must be documented in the Toolkit plan as applied. If 595 and/or 590 are not being fully implemented at the time of the application for the AHF, it must be implemented concurrently with the practice 309.
2. The payment schedule describes the AHFs that include the operational pad. Do not contract for an operational pad in addition to these components. Only contract an operational or mix load pad with an AHF with a description which states the pad is not included.
3. If the AHF will utilize shared containment, select the appropriate payment schedule component with 'shared containment' in the wording. Do not contract two separate components for AHFs with shared containment.

### Well Isolation Distances

1. The practice standards must be followed related to well isolation distances from contamination sources such as waste storage/treatment facilities and AHFs. Minimum isolation distances are dictated by state law. In some special circumstances a variance from the practice standard related to well isolation distance may be granted as long as the minimums in the state law are met. The isolation distances should be verified prior to contracting; if a variance is needed, it should be granted prior to contracting.
2. If the well isolation distance cannot be met using the existing well, a new water well (642) may be contracted as long as application also includes decommissioning of the existing well (351). The well decommissioning must be completed prior to the approval of the construction drawings for the waste storage/treatment facility or the AHF. This must be the least cost alternative as part of a CNMP or related to the installation of an Agrichemical Handling Facility (309).

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### **Forestry**

1. A Forest Management Plan (FMP) must be developed prior to implementation of practices associated with forestry activities. In Michigan, the following plan types will be accepted for this purpose: Forest Stewardship Plans developed by a certified Forest Stewardship Plan Writer and approved by the Michigan DNR, Forest Management Plans (practice code 106) developed by Technical Service Providers, American Tree Farm System Plans meeting the American Forest Foundation 2010-2015 Standards of Sustainability and Conservation Plans developed by Conservation Planners certified by NRCS.
2. For each FMP which is contracted through EQIP, one individual plan will be developed. Plans containing multiple FMP's in the same document will not be acceptable for payment. It is the responsibility of the Applicant to communicate this need to the TSP.

### **Pest Management-Woody Fruit Vegetation Removal**

1. Program sheets provide additional guidance for Pest Management-Woody Fruit Vegetation Removal (MI-EQIP11-6)

### **Irrigation**

1. A participant will be eligible for financial assistance for water conservation and irrigation related structural, vegetative, and land management practices only on land that has been irrigated for 2 of the last 5 years prior to application for assistance. The required documentation necessary to validate irrigation history includes written certification of the irrigation history and crops produced on the land by year OR official copies of Farm Service Agency records such as aerial compliance slides, Farm Acreage Report, Production History Report, and Risk Management Insurance.
2. EQIP funds will not be used to increase irrigated acres.
3. If a participant receives EQIP financial assistance for Irrigation System, Sprinkler (442) and they are currently fully implementing Irrigation Water Management (449) including all recordkeeping requirements, it must be documented in the Toolkit plan as applied. If 449 is not being fully implemented at the time of the application for 442, 449 must be planned and applied. New or replacement irrigation wells (642) are not eligible for EQIP financial assistance.
4. Program sheet provides additional guidance for 442/449 (MI-EQIP11-5)

### **Seasonal High Tunnel Systems for Crops (798)**

1. Only for crops grown in natural soil to improve soil quality or reduce nutrient/pesticide transport.
2. New, manufactured equipment only. No used structures will be approved for payment.
3. Structure must be at least 6 feet in height.
4. Electrical, heating, and/or mechanical ventilation systems are allowed (no financial assistance).
5. See Practice Standard for additional restrictions.
6. Payment limited to the equivalent of 2178 square feet per operation.

### **Organic/Organic Transition**

1. Ensure all EQIP organic/organic transition applications are entered as an "organic" application type to invoke organic payment limitations.

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### **Tribal**

1. Tribal applications will follow General Manual 410-RDV Supplemental MI-1, Sec. 405.10-NRCS Michigan policy for Assistance to Federally recognized Tribes.
2. Tribal applications will compete in the Tribal fund code.